

4.3 Economic Environment

Preliminary Market Research

Cedar-Riverside Station

Preliminary market research analysis prepared by ZHA and Zimmerman/Volk Associates (“Hiawatha Corridor Transit Oriented Development Market Study,” Minneapolis Community Development Agency, December 1999) predicted limited potential for additional development at the Cedar-Riverside station over the next 20 years due to lack of available land, poor visibility, and lack of market demand. The report identified that 150 additional residential apartments (50 of which could occupy upper floors over ground floor commercial) and 30,000 square feet of commercial space (primarily retail) could be absorbed in the Cedar-Riverside station area. The report further noted that institutions, such as the University of Minnesota, may invest in new office space in the area.

Franklin Station

The ZHA-Zimmerman/Volk study predicted substantial redevelopment interest in the Franklin station area only under a “High Intervention” scenario envisioning substantial reorganization of the street network east of the station and public site assembly east of the tracks and west of Cedar/20th Avenue. Under these circumstances the report envisioned the potential for an 180,000 square feet research center or campus with an additional 15,000 square feet of associated commercial development. The report also acknowledges the potential for student housing or other residential development by an area institution. However, the report cautions that Transit Oriented Development near this station would require significant public intervention including land assembly, traffic circulation, building demolition, and financial incentives. The “Baseline” scenario assumed screening of the Yard and Shops facility only and minimal public investment in the station area yielding the potential for 30,000 square feet of light industrial use and 25,000 square feet of commercial use on the site northeast of the station to the east of the tracks.

Additional Research

Additional research on market conditions for both station areas revealed further characteristics of predicted ridership patterns at both stations which influence market conditions in the area:

- Substantial two-way flow during morning and evening peaks:
Because these station areas contain both sources (places where

people live) and destinations for LRT rides (places where people work), these two stations hold the potential for balanced activity both in the morning and the evening. Only one other station along the Hiawatha Line, Lake Street, shares this characteristic.

- Presence of higher educational institutions: Student riders' schedules can vary significantly from the typical home-to-work commute, resulting in greater "off-peak" (midday) traffic.
- High volume of pedestrian commuters: Of the 3,325 residents of the station areas who work, over 22 percent of them walk to work. While these are not potential transit riders, they may be drawn to the same types of services and facilities as those walking to transit stations.

Evaluations of the economic conditions suggest the following land uses near the station areas (see Figure 4.3):

Cedar-Riverside Station

- ◆ Dramatic redevelopment is unlikely in the near-term because of the lack of available sites.
- ◆ Potential for balanced two-way and off-peak traffic could support modest service retail buildup.
- ◆ An inviting and safe connection to Cedar and the University could encourage greater U of M student traffic than is currently projected.
- ◆ In the future, if needs for public housing and senior housing were met elsewhere in the city, current uses near Cedar-Riverside could be converted to market rate and/or student housing.

Franklin Station

- ◆ Office development relating to downtown core is quite feasible.
- ◆ High-density residential rental aimed at singles and young couples would also receive market support.
- ◆ Mixed office/residential has the potential to work well here.
- ◆ Office and high-density residential uses would provide moderate support for some expansion of retail, mostly local services with, perhaps, some entertainment.
- ◆ Institutional uses should, in general, not take precedence over private, taxable development.

- ◆ The presence of government offices (Metropolitan Council, County, or City) would be positive for development in the station area.
- ◆ Development of flexible-use structured parking through leasing and facilities management methods would support a number of different development alternatives and serve changing needs as the area evolves.

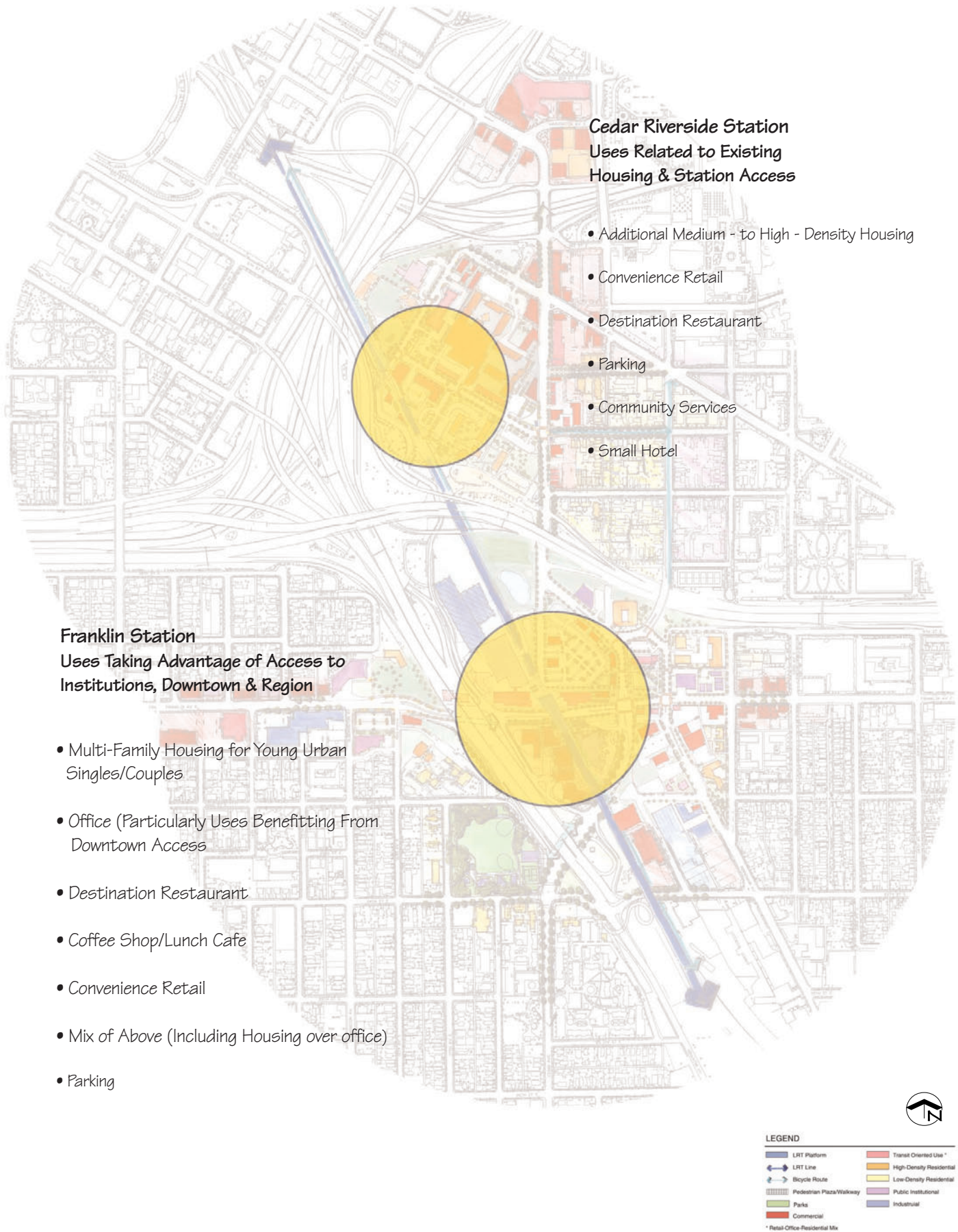


FIGURE 4.3 - ECONOMIC CONDITIONS: RECOMMENDED USES

FRANKLIN-CEDAR/RIVERSIDE TOD